PERMIT AUTHORIZING

Citizens Utilities Company -a

TO CONSTRUCT, OPERATE, MAINTAIN AND CONNECT

ELECTRIC TRANSMISSION FACILITIES

AT THE INTERNATIONAL BORDER BETWEEN

THE UNITED STATES AND MEXICO

(Federal Power Commission - Docket No. E-7371)

Citizens Utilities Company (hereinafter referred to as Permittee), incorporated under the laws of the State of Delaware and qualified to do business as a foreign corporation in the States of Arizona, Colorado, Connecticut, Idaho and Vermont, with its principal place of business at Stamford, Connecticut, in an application filed in Docket No. E-7371 on October 16, 1967, as subsequently supplemented, requested permission, pursuant to Executive Order No. 10485, dated September 3, 1953, to construct, operate, maintain and connect at the international border between the United States and Mexico the facilities described in Article 2 below for the transmission of electric energy between the United States and Mexico. On October 16, 1967, Permittee also filed an application in Docket No. E-7370 for authorization, pursuant to Section 202 (e) of the Federal Power Act, to transmit electric energy from the United States to Mexico over the facilities described in Article 2 below.

The Secretary of State by letter dated December 20, 1967, and the Secretary of Defense by letter dated December 29, 1967, favorably recommended that the Permit be granted herein as hereinafter provided.

Upon consideration of this matter, the Commission finds that the issuance of a Permit as hereinafter provided is appropriate and consistent with the public interest. Pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, and the Commission's Rules and Regulations thereunder, permission is hereby granted to Permittee to construct, operate, maintain and connect the electric transmission facilities described in Article 2 below at the international border between the United States and Mexico upon the following conditions.

Article 1. The facilities herein described shall be subject to all conditions, provisions and requirements of this Permit. This Permit may be modified or revoked by the President of the United States or by the Federal Power Commission, and may be amended by the Federal Power Commission on proper application therefor.

Article 2. The facilities covered by and subject to this Permit shall include:

A single circuit, three phase, 60 cycle, 13.8 kv electric transmission line crossing the International Boundary 1,540 feet east of Boundary Monument No. 112, Section 21, Township 24 South, Range 17 East in Lochiel, Arizona.

No substantial change shall hereafter be made in the above-described facilities and operation thereof authorized by this Permit unless and until such change shall have been approved by the Commission.

Article 3. Insofar as the electric facilities authorized herein, or which may be subsequently included herein by modification or amendment, are utilized for the transmission of electric energy from the United States to Mexico, they may be utilized for such transmission only in the amount, at the rate, and in the manner authorized by the Commission under Section 202 (e) of the Federal Power Act.

Article 4. The operation, maintenance and connection of the aforesaid facilities shall be subject to the inspection and approval of the Division Engineer, Corps of Engineers, United States Army in San Francisco, California, who is in charge of the

district affected herein, and a representative of the Commission, both of whom shall be authorized representatives of the United States for such purposes. The Permittee shall allow officers or employees of the United States showing proper credentials free and unrestricted access into, through and across any lands occupied by said facilities in the performance of their official duties.

- Article 5. In the operation, maintenance and connection of the facilities herein specified, the Permittee shall place and maintain suitable structures to reduce to a reasonable degree the possibility of contact or inductive interference between its transmission facilities and any other facilities not owned by the Permittee.
- Article 6. If, in the future, it should appear to the Secretary of the Army that any facilities or operations permitted hereunder cause unreasonable obstructions to the free navigation of any of the navigable waters of the United States, the Permittee may be required, upon notice from the Secretary of the Army, to remove or alter such of the facilities as are owned by it so as to render navigation through such waters free and unobstructed.
- Article 7. Permittee shall comply promptly with any regulations or instructions affecting the facilities, or any part thereof, owned by it and covered by this Permit which may be issued by the President of the United States or any Government department or agency of the United States for the aid and protection of aerial navigation.
- Article 8. Permittee shall be liable for all damages occasioned to the property of others by the operation, maintenance, and connection of the facilities owned by it and covered by this Permit, and in no event shall the United States be liable therefor. Permittee shall do everything reasonably within its power to prevent or suppress fires on or near any land occupied under this Permit.

Article 9. Permittee shall file with the Commission, under oath and in such detail as the Commission may require, such statements or reports with respect to the facilities authorized herein and owned by Permittee, or energy transmitted thereover by Permittee, as the Commission may, from time to time, request. Such information may be made available to any Federal, State or local agency requesting such information.

Article 10. Neither this Permit nor the facilities, or any part thereof, covered by this Permit, shall be transferable or assignable, but in the event of the involuntary transfer of the facilities by operation of law (including such transfers to receivers, trustees, or purchasers under foreclosure or judicial sale) the Permit shall continue in effect temporarily for a reasonable time thereafter pending the making of an application for a new Permit and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the facilities authorized by this Permit remain substantially the same as before the transfer. Permittee shall maintain the facilities, or any part thereof, owned, operated, maintained and connected by it as described above in a condition of repair for the efficient operation of said facilities in the transmission of electric energy, and shall make all necessary renewals and replacements.

Article 11. Upon the termination, revocation or surrender of this Permit, the facilities herein authorized, which are owned, operated, maintained and connected by Permittee, shall be removed within such time as the Commission may specify and at the expense of the Permittee. Upon failure of the Permittee to remove such facilities or any portion thereof, the Commission may direct that possession of the same may be taken and the facilities removed at the expense of the Permittee, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 12. When in the opinion of the President of the United States, evidenced by a written order addressed to the holder of this Permit, the safety of the United States demands it, the United States shall have the right to enter upon and

take possession of the facilities, or any part thereof, owned, operated, maintained, and connected by the Permittee under this Permit, and all contracts covering the transmission of electric energy by means of said facilities, or any part thereof, and shall retain possession, management and control thereof for such length of time as may appear to the President to be necessary to accomplish said purpose and then restore possession and control to the Permittee; and in the event that the United States shall exercise such right, it shall pay to the Permittee just and fair compensation for the use of said facilities as may be fixed by the Commission upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities to as good condition as existed at the taking over thereof, less the reasonable value of any improvements that may be made thereto by the United States and which are valuable and serviceable to the Permittee.

IN WITNESS WHEREOF, I, LEE C. White , have hereunto signed my name this 29 day of December, 1967, in the City of Washington, District of Columbia.

Chairman of the

Federal Power Commission